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February 23, 1988

† COUNSELOR TO THE FIRM
* MEMBER FLORIDA AND MICHIGAN BAR
** MEMBER FLORIDA BAR

Ms. Noretta R. McGee, Secretary
Interstate Commerce Commission
Washington, DC 20423

Dear Secretary:

I have enclosed one original and one certified true copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a "General Security Agreement," a primary document, dated June 12, 1987. The names and addresses of the parties to the document are as follows:

Secured party:	NBD Business Finance, Inc. 1190 First National Building Detroit, Michigan 48226
Debtor:	Zaclon, Inc. 2981 Independence Rd. Cleveland, Ohio 44115

A description of the equipment covered by the document follows:

The equipment covered by the General Security Agreement includes, among other things, ALL NOW OWNED OR HEREAFTER ACQUIRED railroad cars of Zaclon, Inc. Zaclon, Inc.'s now owned railroad cars are more fully described below:

WRITER'S DIRECT DIAL NO.

(313) 256-7004

RECORDATION NO.

FEB 26 1988 10:10 AM

INTERSTATE COMMERCE COMMISSION

HONIGMAN MILLER SCHWARTZ AND COHN

Ms. Noreta R. McGee
February 23, 1987
Page 2

<u>ZACX</u>	<u>SHELL CAPACITY (M Gal.)</u>	<u>DOT Class</u>
019705	20	111A100W5
019707	21	111A100W5
019708	21	111A100W5
019709	21	111A100W5
019710	20	111A100W5
006501	10	103 W
006506	10	103 W
006562	10	103 W
006862	8	103 W

A recording fee of Ten Dollars (\$10.00) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Theodore B. Sylwestrzak, Esquire, Honigman Miller Schwartz and Cohn, 2290 First National Building, Detroit, Michigan 48226.

A short summary of the document to appear in the index follows:

Primary Documents. General Security Agreement between NBD Business Finance, Inc., 1190 First National Building, Detroit, Michigan 48226, as Secured Party, and Zaclon, Inc., 2981 Independence Rd., Cleveland, Ohio 44115, as Debtor, dated June 12, 1987, covering nine (9) now-owned railcars: ZACX 019705, ZACX 019707 - 019710, ZACX 006501, ZACX 006506, ZACX 006562, and ZACX 006862, and ALL HEREAFTER ACQUIRED RAILCARS.

Very truly yours,

HONIGMAN MILLER SCHWARTZ AND COHN
Attorneys for NBD Business Finance, Inc.

By: 
Theodore B. Sylwestrzak

TBS:cjr
B5152M

Interstate Commerce Commission
Washington, D.C. 20423

2/26/88

OFFICE OF THE SECRETARY

Theodore B. Sylwestrzak
Honigman Miller Schwartz & Cohn
2290 First Natl Building
Detroit, Michigan 48226

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/26/88 at 10:05am , and assigned recordation number(s). 15511

Sincerely yours,

Nanta L. McGee
Secretary

Enclosure(s)

1 5510

RECORDATION NO. _____ Filed & Recorded

GENERAL SECURITY AGREEMENT

FEB 26 1988 10 05 AM

(All Business Collateral)

INTERSTATE COMMERCE COMMISSION

1. GRANT OF SECURITY INTEREST

The undersigned, ZACLON, INC., an Ohio corporation, with offices at 2981 Independence Rd., Cleveland, Ohio 44115 (hereinafter referred to as "Debtor"), grants to NBD Business Finance, Inc., a Delaware corporation, with its main offices at 1190 First National Building, Detroit, Michigan 48226 (hereinafter referred to as "NBD/BF"), a lien and security interest in all personal property now or hereafter owned or acquired by Debtor and wherever located and all products and all proceeds of the foregoing (collectively the "Collateral"), including, without limitation, liens and security interests in the following described property, as follows:

(a) A first lien and security interest in all of the Debtor's now or hereafter owned or acquired equipment, motor vehicles, rail cars and fixtures, all additions and accessions thereto, all spare and repair parts, all special tools, equipment, replacements and substitutions for any of the foregoing, all general intangibles, contract rights, documents and chattel paper relating to any of the foregoing, and all plans, blueprints, manuals, computer software and similar collateral relating to any of the foregoing, wherever located, and all proceeds, including all proceeds of insurance or condemnation awards, and all products of all of the foregoing and, in addition, all cash collateral and certificates of deposit held by NBD/BF; and

(b) A lien and security interest, junior in right of priority only to that granted by Debtor to National City Bank in the following Collateral:

(i) all of the Debtor's inventory now existing or hereafter acquired and wherever located (including all goods under lease or held for sale, lease or demonstration or to be furnished under contracts of service, raw materials, work in process, finished goods and materials or supplies used or consumed in the Debtor's business), and documents related to inventory and returned or repossessed inventory, and

(ii) all of the Debtor's present and future accounts, accounts receivable, contract rights, chattel paper, choses in action, instruments, documents, general intangibles (including, among other things, all federal, state or other tax refunds, now or in the future due the Debtor, all fees or other payments due or to become due including royalty payments such as under patent, trademark, copyright or other licensing arrangements, proceeds of condemnation, awards, proceeds of judgments and proceeds of fire and other property insurance, such as business interruption insurance, all plans, blueprints, books of account, computer print-outs or similar intangible Collateral), and

(iii) all proceeds, including all proceeds of insurance or condemnation awards and all products of the foregoing,

to secure all Debtor's debts, obligations and liabilities to NBD/BF, now existing or hereafter arising and howsoever evidenced, including those arising under the Term Note or any other Notes given by Debtor to NBD/BF simultaneously herewith or hereafter, and under the Loan Agreement (the "Loan Agreement") of even date or other agreements, and mortgages between Debtor and NBD/BF of even date or given hereafter, all obligations now or hereafter guaranteed or endorsed by Debtor and all costs of enforcement of the rights granted to NBD/BF hereunder, such as reasonable attorneys' fees and court costs (all of which are for convenience hereinafter referred to as "Obligations").

2. DEBTOR'S WARRANTIES

Debtor warrants that while any of the Obligations are unpaid:

(a) OWNERSHIP. Debtor is the owner of the Collateral free of all encumbrances and security interests (except NBD/BF's security interest and Permitted Liens as defined in the Loan Agreement), and chattel paper constituting Collateral evidences a perfected security interest in the goods covered by it, free from all other encumbrances and security interests, and no financing statement (other than NBD/BF's or Permitted Liens) is on file covering the Collateral or any of it. If inventory is represented or covered by documents of title, Debtor is the owner of the documents, free of all encumbrances and security interests other than NBD/BF's security interest and warehouseman's charges, if any, not delinquent.

(b) SALE OF GOODS OR SERVICES RENDERED. Each account and chattel paper constituting Collateral arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine invoices, shipping documents or receipts.

(c) OTHER AGREEMENTS. Debtor is not in default under any agreement for the payment of money.

(d) AUTHORITY TO CONTRACT. The execution and delivery of this Agreement and any instruments evidencing Obligations will not violate or constitute a breach of Debtor's Articles of Incorporation, Bylaws or any agreement or restriction to which Debtor is a party or is subject.

(e) ACCURACY OF INFORMATION. All information, certificates or statements given to NBD/BF pursuant to this Agreement shall be true and complete in all material respects, when given.

(f) ADDRESSES. The address of Debtor's chief executive office, is as set forth above. The other address(es) of Debtor's businesses, if any are

Such locations shall not be changed without prior written consent of NBD/BF, but the Collateral, wherever located, is covered by this Agreement.

(g) CHANGE OF NAME OR ADDRESS. Debtor shall immediately advise NBD/BF in writing of any change in its name or address.

(h) FIXTURES. All fixtures, if any, will be affixed to real estate, the legal description of which is contained on Exhibit 1 attached hereto and made a part hereof, and the name of the record owner thereof, if not Debtor, is specified on Exhibit 1.

3. DEBTOR'S COVENANTS

Debtor agrees:

(a) MAINTENANCE OF COLLATERAL. Debtor shall: maintain the Collateral in good condition and repair and not permit its value to be impaired; keep it free from all liens, encumbrances and security interests (other than NBD/BF's security interest and Permitted Liens); defend it against all claims and legal proceedings by persons other than NBD/BF; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease or otherwise dispose of it or permit it to become a fixture or an accession to other goods, except for sales or leases of inventory as provided in this Agreement, not permit it to be used in violation of any applicable law, regulation or policy of insurance; and, as to Collateral consisting of instruments and chattel paper, preserve rights in it against prior parties. Loss of or damage to the Collateral shall not release Debtor from any of the Obligations.

(b) INSURANCE. In addition to the provisions in the Loan Agreement concerning insurance, Debtor shall keep the Collateral and NBD/BF's interest in it insured under policies with such provisions, for such amounts and by such insurers as shall be satisfactory to NBD/BF from time to time, and shall furnish duplicate originals of all such policies of insurance to NBD/BF with loss payable or standard mortgagee endorsements showing NBD/BF's interest in such form as NBD/BF shall approve. If an insured casualty has occurred then (i) Debtor assigns (and directs any insurer to pay) to NBD/BF the proceeds of all such insurance and any premium refund, (ii) authorizes NBD/BF to endorse in the name of Debtor any instrument for such proceeds or refunds and, at the option of NBD/BF, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Debtor, and (iii) authorizes NBD/BF, in the name of Debtor or otherwise, to make, adjust and/or settle claims under any credit insurance financed by NBD/BF or any

insurance on the Collateral, or cancel the same. All such insurance policies shall contain a provision that no cancellation or material alteration therein may be effected without giving NBD/BF 30 days prior written notice thereof.

(c) MAINTENANCE OF SECURITY INTEREST. Debtor shall pay all expenses, and, upon request, take any action reasonably deemed advisable by NBD/BF to preserve the Collateral or to establish, determine priority of, perfect, continue perfected, terminate and/or enforce NBD/BF's interest in it or rights under this Agreement.

(d) COLLATERAL RECORDS AND STATEMENTS. Debtor shall keep accurate and complete records respecting the Collateral. At such times as NBD/BF may require, Debtor shall furnish to NBD/BF a statement certified by the chief financial officer of Debtor, and in such form and containing such information as may be prescribed by NBD/BF, showing the current status and value of the Collateral.

(e) INSPECTION OF COLLATERAL. At reasonable times, during business hours, NBD/BF may examine the Collateral and Debtor's records pertaining to it, wherever located, and make copies of records. Debtor shall assist NBD/BF in so doing, but NBD/BF shall not unreasonably interfere with Debtor's business operations while making such inspections of the collateral.

(f) UNITED STATES CONTRACTS. If any accounts or contract rights constituting Collateral arose out of contracts with the United States or any of its departments, agencies or instrumentalities, Debtor will notify NBD/BF and execute writings required by NBD/BF in order that all money due or to become due under such contracts shall be assigned to NBD/BF and proper notice of the assignment given under the Federal Assignment of Claims Act, as amended, or similar law now or hereafter in force.

(g) MODIFICATIONS. Without the prior written consent of NBD/BF, Debtor shall not alter, modify, extend, renew or cancel any Collateral.

4. RIGHTS OF NBD/BF

(a) AUTHORITY TO PERFORM FOR DEBTOR. Upon the occurrence of an Event of Default or if Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document or agreement relating to the Obligations, NBD/BF is authorized, in Debtor's name or otherwise, to take any such action including, without limitation, signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand, with interest at the rate specified in the Term Note.

(b) NON-LIABILITY OF NBD/BF. NBD/BF has no duty to determine the validity of any invoice, the authority of any shipper to ship goods to Debtor or compliance with any order of Debtor. NBD/BF has no duty to

protect, insure, collect or realize upon the Collateral or preserve rights in it against prior parties. Debtor releases NBD/BF from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except NBD/BF's willful misconduct.

5. EVENTS OF DEFAULT

The occurrence of an Event of Default under the Loan Agreement shall be deemed a default hereunder, as shall the non-performance or inability to perform any of the covenants and agreements of the Debtor in this General Security Agreement. After the occurrence of default, and the giving of written notice by NBD/BF to the Debtor, as provided in the Loan Agreement, if any such default is not cured, all of the Obligations due from the Debtor to NBD/BF, shall be immediately due and payable.

6. REMEDIES

Upon the occurrence of an Event of Default, NBD/BF shall have all rights and remedies for default provided by the Uniform Commercial Code ("UCC") as well as any other applicable law and any evidence of or document or agreement relating to the Obligations. With respect to such rights and remedies:

(a) ASSEMBLING COLLATERAL. NBD/BF may require Debtor to assemble the Collateral and to make it available to NBD/BF at any convenient place designated by NBD/BF.

(b) NOTICE OF DISPOSITION. Written notice, when required by law, sent to any address of Debtor, shown as provided for in this Agreement, at least 15 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

(c) EXPENSES AND APPLICATION OF PROCEEDS. Debtor shall reimburse NBD/BF for any expense incurred by NBD/BF in protecting or enforcing its rights under this Agreement, including, without limitation, reasonable attorneys' fees and court costs, and all expenses of taking possession, holding, preparing for disposition and disposing of the Collateral. After deduction of such expenses, NBD/BF may apply the proceeds of disposition to the Obligations in such order and amounts as it elects.

(d) WAIVER. NBD/BF may permit Debtor to remedy any default without waiving the default so remedied, and NBD/BF may waive any default without waiving any other subsequent or prior default by Debtor.

7. PERSONS BOUND

This Agreement benefits NBD/BF, its successors and assigns, and binds the Debtor and its successors and assigns. Neuter terms as used herein shall also refer, where applicable, to the feminine gender and the masculine gender and the singular reference shall also include the plural of any word if the context so requires.

8. INTERPRETATION

To the extent permissible under the UCC, the validity, construction and enforcement of this Agreement shall be determined and governed by the internal laws of Ohio. All terms not otherwise defined have the meanings assigned to them by the Ohio Uniform Commercial Code. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

9. LOAN AGREEMENT CONTROLS

Anything contained in this Agreement to the contrary notwithstanding, in the event of an express conflict between the terms hereof and the terms of the Loan Agreement, the terms and provisions of the Loan Agreement shall govern and control. Terms defined in the Loan Agreement shall have the same meaning in this Agreement.

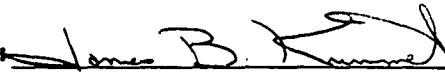
10. EXCLUSION OF ASSETS

Anything contained in this General Security Agreement to the contrary notwithstanding, none of the Equipment, Inventory, Motor Vehicles or other personal property of the Quilon chrome complexes or Volan bonding agents plant facilities are intended to be, or are they, part of the Collateral

Security granted to NBD/BF by the Debtor under this General Security Agreement.

Signed and delivered this 12th day of June, 1987.

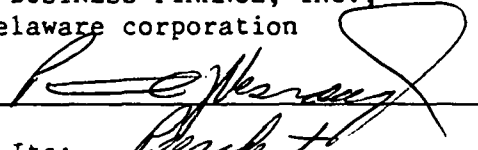
ZACLON, INC.,
an Ohio corporation

By: 
Its: President

Debtor

ACCEPTED AT CLEVELAND, OHIO
ON THE DATE WRITTEN ABOVE:

NBD BUSINESS FINANCE, INC.,
a Delaware corporation

By: 
Its: President

NBD/BF

(Acknowledgment on following page)

ACKNOWLEDGEMENT

STATE OF OHIO)
)SS:
COUNTY OF CUYAHOGA)

On this 13th day of June, 1987, before me personally appeared James B. Brummett, to me personally known, who being by me duly sworn, says that he is the President of Zaclon, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by the authority of its board of directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of the said corporation.

[SEAL]

Kathy P. Lazar
Notary Public KATHY P. LAZAR, Attorney At Law
 Notary Public - State of Ohio
My Commission expires: My commission has no expiration date.
 Section 147.03 R.C.

B5069M

CERTIFICATE

I, Margaret Ann Black, being a duly authorized notary public, do hereby acknowledge that I have compared the attached copy of the "General Security Agreement", dated June 12, 1987, between NBD Business Finance, Inc., as secured party, and Zaclon, Inc., as debtor, with the original and have found the copy to be complete and identical in all respects to the original document.

Margaret Ann Black
Margaret Ann Black, Notary Public
Wayne County, Michigan
My Commission expires: 12/14/87

B5414M